



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

Assessment of European Union Meat Situation

In response to the evolving situation in the EU livestock sector, USDA has revised its 2001 estimates for EU production, consumption, exports, and ending stocks for beef, pork, and poultry. The increased detection of Bovine Spongiform Encephalopathy (BSE) and the outbreak of foot and mouth disease (FMD) have led EU consumers to alter their diets away from beef. Beef consumption for 2001 is estimated to be down 12 percent from last year, while exports are forecast to drop a further 41 percent in reaction to animal disease outbreaks in the EU. Beef ending stocks for 2001 are expected to accumulate to nearly 700,000 tons of which intervention stocks may total up to 500,000 tons. EU 2001 pork exports are forecast to decrease by 19 percent due mainly to FMD and lower production. EU poultry meat production is projected to rise along with consumption as producers take advantage of the increased demand for poultry products.

Meat prices across the EU for the first 6 months of 2001 compared to the previous period have also changed dramatically. Beef prices fell and pork and poultry prices rose significantly. For example, in Germany, beef prices declined about 30 percent, while pork and poultry prices surged roughly 40 and 15 percent respectively. However, beef prices are starting to recover, while pork prices have moderated.

European Meat Supply and Demand (in 1000 MT CWE*)

		Production	Exports	Consumption	Ending Stocks
Beef	1999	7,673	866	7,577	400
	2000	7,462	564	7,305	339
	2001	6,810	334	6,449	686
Pork	1999	18,042	1,400	16,540	736
	2000	17,585	1,249	16,420	706
	2001	17,419	1,012	16,449	705
Poultry	1999	8,444	872	7,537	72
	2000	8,394	832	7,616	55
	2001	8,609	821	7,916	30

*Carcass Weight Equivalent

EU consumption of poultry products is forecast to grow 4 percent in 2001 to a record 7.9 million tons as a result of the BSE and FMD crisis and reduced consumer confidence in domestic beef and pork products. Increased demand for poultry products is still dominated by demand for broiler meat, but also includes turkey, ducks, and guinea fowl. It is projected that domestic production will increase to a record 8.6 million tons in 2001. However, this increase will not be sufficient to meet internal consumer demand. EU imports are forecast to rise 5 percent in 2001 to 440,000 tons. The bulk of these imports are expected to be poultry parts from Eastern Europe, Israel, and Asia. Exports are forecast to decline slightly as more product is kept within the EU to satisfy consumer demand.

Source: USDA/Foreign Agricultural Service

Lower Prices in China

Retail egg prices in China at the start of this year showed a significant near 17 percent fall on the year-earlier level and were some five percent down on the previous month, continuing the downward trend that had been evident since September 2000. An analysis of retail prices throughout 2000 showed the typical seasonal movement. After starting the year on a "high" at around 48 cents per dozen, prices declined from the end of February to a "low" of 39 cents per dozen in July. Retail values then recovered to reach an average of 46 cents per dozen in September but then weakened slipping to a disappointing 42 cents in December.

Source: International Egg Commission

Mexico Approves Additional Import Permits

Import Permits for Turkey Cuts

On July 2, 2001, the Mexican Secretariat of Economy (SE) announced in the Diario Oficial (Mexico's Federal Register) additional import certificates ("cupos") to import 5,000 MT of U.S. turkey cuts. The announcement indicates the new allocation is only for border companies. Trade sources pointed out, however, the "cupos" will fill border companies' needs for about four months. Reportedly, Mexico continues to provide import certificates for turkey cuts beyond the NAFTA TRQ, due to a strong domestic demand which cannot be matched by local producers. The announcement also indicates new "cupos" are being added onto those that were already approved on November 30, 2000 (33,436 MT) and on April 9, 2001 (17,000 MT). The total 2001 NAFTA TRQ of turkey cuts is 34,436 MT. (Source: Diario Oficial and FAS/OAA/Mexico)

Import Permits for Duty-Free Poultry

The Mexican Secretariat of Economy (SE) has approved extended duty-free allocations that allow Mexican meat processors to import 132,000 MT of chicken and turkey meat for further processing over the next six months. The extended quota is divided into 80,000 MT of mechanically de-boned chicken and turkey meat and 54,000 MT of turkey cuts for further processing. The announcement was published late on June 29, 2001, in Mexico's Federal Register (Diario Oficial) and eligible processors were immediately granted their import certificates. SE will assign the quota volume quarterly in two equal portions, according to industry sources. Later in the year, meat processors are expected to request an additional volume of product to meet seasonal holiday demand, but sources do not know if SE will grant the additional quota amount. (Source: Diario Oficial and USA Poultry and Egg Export Council/Mexico Office, 07/09/01)

Source: USDA/Foreign Agricultural Service

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Jul 21, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Liquid	89	187	6,049	3,543
Frozen	0	0	78	126
Dried	0	36	40	340
Total	89	223	6,167	4,009

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Jul 21, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Liquid	57	48	2,934	3,282
Frozen	10	0	768	406
Dried	0	0	309	643
Total	67	48	4,011	4,331

Inspected Shell Eggs**U.S. Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Jul 21, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Jumbo	0	120	87	981
Extra Large	1,150	910	27,416	24,495
Large	1,150	2,052	66,698	80,862
Medium	750	766	26,848	19,351
Ungraded	6,690	13,320	195,350	156,964
Misc	2,250	900	50,529	7,887
Total	11,990	18,068	366,928	290,540

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 21-Jul-01
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,661	1,534	3,195
LAST WEEK	1,685	1,642	3,327
SAME WEEK YR AGO	1,959	1,609	3,568
TO-DATE/2001	51,583	39,427	91,010
TO-DATE/2000	56,984	40,635	97,619

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	278	8	286
LAST WEEK	490	4	494
SAME WEEK YR AGO	332	29	361
TO-DATE/2001	13,515	199	13,714
TO-DATE/2000	14,109	304	14,413

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,939	1,542	3,481
LAST WEEK	2,175	1,646	3,821
SAME WEEK YR AGO	2,291	1,638	3,929
TO-DATE/2001	65,098	39,626	104,724
TO-DATE/2000	71,093	40,939	112,032

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

27-JUL-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS					
RANGE	-	-	-	-	-
WTD AVERAGE					

CHICKEN, WITH SKIN ADDED

27-JUL-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS					
RANGE	-	19.00-21.00		102,000	-
WTD AVERAGE		19.80			
15-20%					
RANGE	15.00-20.00	14.00-19.00		1,958,400	1,264,800
WTD AVERAGE	16.78	17.13			
20% OR MORE					
RANGE	-	-	-	-	-
WTD AVERAGE					

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

27-JUL-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS					
RANGE		23.00	-	200,000	-
WTD AVERAGE		23.00			

CHICKEN, WITH SKIN ADDED

27-JUL-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS					
RANGE	14.00-24.00	19.50-24.00		1,100,000	160,000
WTD AVERAGE	16.00	22.50			
15-20%					
RANGE	17.75-23.00	16.00-22.00		1,331,360	380,000
WTD AVERAGE	19.35	19.39			
20% OR MORE					
RANGE	-	11.00-17.00		240,000	-
WTD AVERAGE		14.00			

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 27 JULY 2001.

The market tone on fresh tom breast meat was about steady. Tom drums and frozen thigh meat mixed ranging from fully steady to barely steady. Demand light with buyers being selective. Trading light with offerings limited. Export demand fair. Trading was inactive. For export 2 containers of tom necks 27 cents to the East Coast.

FRIDAY, JULY 27, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	27.41	352	27.04	592
WINGS FULL-CUT - TOMS		F	27.00	40		
WINGS, V-TYPE, TOM		R	27.00	104	27.00	104
TAILS						
MECHANICALLY SEPARATED 2/		R	22.00	200	21.11	360
THIGH MEAT - FROZEN		W	57.56	360	57.56	360

THURSDAY, JULY 26, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.00-29.00		27.41	352
WINGS FULL-CUT - TOMS		F	27.00	40
WINGS, V-TYPE, TOM	27.00		27.00	104
TAILS				
MECHANICALLY SEPARATED 2/	20.00-24.00		22.00	200
THIGH MEAT - FROZEN		W	57.56	360

WEDNESDAY, JULY 25, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.50		26.50	240
WINGS FULL-CUT - TOMS		F	27.00	40
WINGS, V-TYPE, TOM		F	27.28	144
TAILS		W	27.00	66
MECHANICALLY SEPARATED 2/	20.00		20.00	160
THIGH MEAT - FROZEN	57.50-58.00		57.56	360

TUESDAY, JULY 24, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	27.34	692
WINGS FULL-CUT - TOMS		F	27.00	40
WINGS, V-TYPE, TOM		F	27.28	144
TAILS		W	27.00	66
MECHANICALLY SEPARATED 2/		F	18.83	144
THIGH MEAT - FROZEN		F	54.61	784

MONDAY, JULY 23, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	27.34	692
WINGS FULL-CUT - TOMS		F	27.00	40
WINGS, V-TYPE, TOM		F	27.28	144
TAILS		W	27.00	66
MECHANICALLY SEPARATED 2/		F	18.83	144
THIGH MEAT - FROZEN		F	54.61	784

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY 2/ Product contains 15-20% fat with skin added.

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